

<b>Grants Determination Sub Committee</b>		
<b>Wednesday 9 March 2022</b>		
<b>Report of:</b> Will Tuckley, Chief Executive		<b>Classification:</b> Unrestricted
<b>Development of Voluntary Sector and Community Sector (VCS) Grant Programmes</b>		
<b>Lead Member</b>	<b>Councillor Candida Ronald, Cabinet Member for Resources and the Voluntary Sector</b>	
<b>Originating Officer(s)</b>	Emily Fieran-Reed, Strategy & Policy Lead Mark Waterman, Senior VCS Development Officer	
<b>Wards affected</b>	All wards	
<b>Key Decision?</b>	Yes	
<b>Reason for Key Decision</b>	<p>Could be under</p> <p>(a) to result in the relevant local authority incurring revenue or capital expenditure which is, or the making of savings which are in excess of £1,000,000.</p> <p>and</p> <p>(b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards.</p>	
<b>Forward Plan Notice Published</b>	16 <sup>th</sup> February 2022	
<b>Exempt information</b>	N/A	
<b>Strategic Priority Outcome / Plan</b>	<p>Priority 1 – People are aspirational, independent and have equal access to opportunities</p> <p>Priority 2 - A borough that our residents are proud of and love to live in</p> <p>Priority 3 - A dynamic, outcomes-based council using digital innovation and partnership working to respond to the changing needs of our borough</p>	

## **Executive Summary**

The Voluntary and Community Sector (VCS) plays a crucial role in Tower Hamlets. Its importance to the borough has been particularly evident in its contribution to the response and recovery to the COVID-19 pandemic. Council-funded VCS services, such as the Local Community Fund (LCF) and Infrastructure & Capacity Building Grant have played a very important role in that work.

The importance of continuity in support to the VCS requires the council to extend current grant programmes beyond their planned end date. This will enable the council to have sufficient time to develop and agree longer-term funding options for the VCS. These extended end dates would avoid a scenario where funding programmes for the VCS have concluded before new funding options become operational. It is thus being recommended that the end date for the various grants programme be extended as set out in recommendations 2,3 & 4 below, in order that local residents can continue to benefit from these programme's services.

Funding extensions for these grant programmes would enable the council to fully commence the development of its long-term funding proposals for the VCS. It is estimated that this process would take 21 months, with initial examination of funding options for the VCS having already commenced in January 2022. This process would involve development of funding proposals in partnership with VCS and other stakeholders and then through the council's governance process. This would enable new council funding for the VCS to commence from October 2023.

## **Recommendations:**

Grants Determination (Cabinet) Sub-Committee is recommended to:

1. Note the plans to develop long-term proposals for funding for the VCS.
2. Agree to extend the scheduled end date for the Local Community Fund (LCF), Small Grants programme and Innovation Fund by 6 months, from 31<sup>st</sup> March 2023 to 30<sup>th</sup> September 2023.
3. Agree to extend the scheduled end date for the Infrastructure & Capacity Building Grants Programme by 18 months, from 30<sup>th</sup> September 2022 to 31<sup>st</sup> March 2024.
4. Agree to extend the scheduled end date for the Emergency Fund by 2 years, from 31<sup>st</sup> March 2022 to 31<sup>st</sup> March 2024.
5. Note the termination of the Covid Community Fund in March 2022
6. Agree the carry over of £39,500 of Emergency funding from the April 2021-March 2022 financial year to the April 2022-March 2023 financial year (the total of £39,500 to be carried over may be reduced if any further grant awards are made prior to 31<sup>st</sup> March 2022).

7. All agreements to external funding beyond 2022-23 will be subject to Cabinet and Council approval of future years budgets,

## **1 REASONS FOR THE DECISIONS**

- It is important for the council to develop longer-term funding options for the VCS in the borough to enable the sector to continue to respond to the pandemic and support the recovery process in Tower Hamlets. This would confirm the council's commitment as a partner to the VCS. The estimated time-frame involved in properly and appropriately developing long-term funding options for the VCS is 21 months. Work to develop a programme therefore needs to become fully operational as soon as possible. The council needs to avoid a scenario where there is a risk that there is a gap in its' primary source of funding for the VCS. The 21 month time-frame to develop long-term funding options for the VCS would result in new council funding options for the VCS commencing in October 2023, six months past the current end date for the council's current main funding programme the LCF .
  - To complement the extension of the LCF programme, and in order for funding to be aligned and the development of future funding options coordinated, it would be necessary to extend funding timetables for a number of council grant programmes for the VCS which support the delivery of and/or complement the LCF programme.
- 1.4 The council needs to approve the carry over of £39,500 of Emergency funding from the April 2021-March 2022 financial year to the April 2022-March 2023 financial year. These funds need to be available to support VCS organisations who require support in the next financial year, particularly if they face a financial emergency.
- 1.5 The Covid Community Fund should be terminated in March 2022 as this fund was to enable organisations to adapt to the initial pandemic emergency. It is anticipated that in future, the ongoing general improvement in regard to the COVID-19 pandemic will continue and VCS organisations will have adapted plans which will enable them to provide their services on a more normal footing.

## **2 ALTERNATIVE OPTIONS**

- An alternative would be to retain the existing grant programme end dates. The council does not approve extension funding for its various grant programmes for the VCS to ensure that these programmes are in operation until the new long-term funding arrangements commence in October 2023. This option makes it likely that it would result in significant interim periods when important services supporting residents are not in operation. This would risk temporary closure of VCS services, with resultant deterioration in community outcomes, threats to many VCS organisations' long-term financial future and loss of credibility for the council.

- Another alternative is that the council does not work with the VCS to develop longer-term funding options for the VCS in Tower Hamlets. This option would remove VCS services from the vital and central role they play in the borough and would contradict the council's commitment to partnership working with the VCS.

### **3 DETAILS OF THE REPORT**

#### **BACKGROUND**

- Tower Hamlets VCS Strategy 2020-2024 highlights the longstanding importance of the VCS to the borough, its crucial role in the response to the pandemic and the vital role that the VCS will play in the recovery process. As well as the contribution from the VCS organisations that the Council commissions<sup>1</sup>, the importance of the VCS has been highlighted by organisations, particularly Local Community Fund (LCF) projects, who have been able to adapt their services and adopt innovative service delivery techniques, such as the delivery of virtually-based services, to continue to support local residents, particularly those who have been most impacted by the pandemic.
- Throughout the pandemic, LCF providers have demonstrated the flexible, strong, and cohesive VCS that exists in the borough. LCF projects have strengthened and developed partnership working, increased volunteer capacity and focused their activities on those most important to supporting local residents during a challenging period. Since the end of lockdown, LCF projects have retained some of their successful methods of engaging virtually with local residents, as well as returning to delivering in-person services.
- Examples of key VCS interventions to respond to the pandemic, include:
  - the COVID-19 Volunteering Hub, managed by Volunteer Centre Tower Hamlets (VCTH), which has registered 3,669 volunteers between March 2020 and January 2022 to support the response to the pandemic and recovery in the borough
  - the Food Hub, which has involved the council, VCTH and food banks working with 27 VCS organisations to supply and deliver food to high risk or self-isolating residents.
- The LCF programme has had significant successes in delivery of its services focusing on improving quality of life for local residents, addressing issues brought about by inequality, and responding to the needs of marginalised groups. The programme has succeeded in providing support to residents from a wide range of groups, including people from socially excluded communities who have been particularly disadvantaged during the pandemic. This support

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<sup>1</sup> The Council commissions around £25 million of services from the VCS each year

has enabled local residents to develop their lives and widen their opportunities, and has included:

- working with families to enable young people to thrive in more positive family environments
  - supporting older people to maintain independence through community-based services and befriending projects
  - working with adults with complex needs to achieve better health outcomes and improved life expectancy
  - empowering older people to do a wide array of things online, from making GP appointments to accessing online employment support workshops
  - enabling children to stay safe on-line, including assisting parents to gain skills and knowledge in this area
  - improving employment and progression opportunities for residents from population groups that are disadvantaged in the labour market - disabled people, women, young people who are NEET (not in education, employment or training)
  - promoting community safety in the borough, including working with schools and the Pupil Referral Unit to support young people excluded from schools, and providing early intervention and support to families who have fled to one of the council's refuges.
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- Between October 2020 and September 2021 the programme delivered support to 27,431 residents in Tower Hamlets. Significant proportions of these beneficiaries were from protected characteristic groups that often experience difficulty in accessing appropriate and effective services, including:
    - 74% were from Black, Asian and Minority Ethnic communities
    - 29% were disabled
    - 58% were women
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- As confirmed by the LCF Annual Report<sup>2</sup> notable achievements delivered by projects in the LCF programme between October 2020-September 2021 included:
    - £25.5 million of income increased or backdated and £2.5 million of residents' personal debt reduced or written off
    - over 1,000 people participated in commemorative events delivered by LCF-supported theatre organisations
    - 811 service users from projects promoting healthy living and choices reported improved fitness and well-being, reduced isolation and loneliness
    - 600 children, young people and parents received support on on-line safety, including receiving support on suitable prevention measures

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<sup>2</sup> *Local Community Fund and Infrastructure & Capacity Building Fund Annual Report - Oct 2020– Sep 2021* was submitted to Grants Determination Sub-Committee (GDSC) on 12<sup>th</sup> January 2022.

- 193 young people were supported by intergenerational projects to be seen to be a positive part of the community.
- A total of 126 grants have been awarded through the Small Grants Programme between 2019-2021. The Programme supports grassroots VCS organisations to address a range of issues facing local residents, including welfare, unemployment and housing. The successful progress of the Programme can be seen in the key achievements of the 28 projects that have now completed and reported back on the reach and impact of their work, as outlined in the 2020-2021 Annual Report<sup>3</sup>, (many projects had not been able to report back in 2021 because of the pandemic), including:
  - 1,999 residents engaged in activities for the first time
  - 6,334 residents engaged in funded projects
  - 448 residents volunteered with projects
  - 3,178 residents took part in community activities
  - 2,065 residents took part in creative activities
- Between October 2020-September 2021 the Infrastructure and Capacity Building Programme provided casework and support to 131 unique VCS organisations and a total of 319 engagements. This Programme has a successful track record in assisting VCS organisations to secure external funding with over £750,000 brought into the borough.
- Since it was launched in 2017, the Innovation Fund has supported 26 initiatives via £145,848 of awards, covering a broad range of projects. As of January 2022 there were 2,249 pledges of crowdfunding financial support from backers for Innovation Fund projects. As of 14th December 2021, £688,375 of pledged funding, including the above £145,848 Innovation Fund allocation, had been secured to support successful pitches since the scheme was launched. Local residents have been able to benefit from a wide range of projects supported by the Innovation Fund and matching crowdfunding, including a COVID-19 food bank; IT equipment donation project for young people in education; winter cycling programme, summer boxing club to provide a safe environment for children and young people.
- As of January 2022, VCS organisations in Tower Hamlets had secured £16.5 million in grants from external funding to help them respond to the pandemic. This is the fifteenth highest total for a borough in the UK and the tenth highest for a borough in London. VCS organisations are assisted in their efforts to obtain external funding – e.g. from charitable trusts – if they are receiving funding from their local council.
- Continued council funding for the VCS would support the sector to lever in external funding for new services, building upon its successful track record during the pandemic. If the council ceased to develop such options for the VCS then this would have a significant impact on access to a range of

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<sup>3</sup> Tower Hamlets Council Small Grants Fund 2020 – 21 Annual Report was submitted to GDSC on 23<sup>rd</sup> June 2021.

services for local residents and have considerable impact on the viability of key local VCS organisations.

## **PROPOSAL AND RATIONALE**

- It is proposed to extend the existing Local Community Fund (LCF) programme by 6 months from 1<sup>st</sup> April 2023 to 30<sup>th</sup> September 2023. The importance of the LCF programme to residents of Tower Hamlets has been highlighted in paragraphs 3.1 to 3.6 above. It is crucial that there is not a gap in council flagship funding for the VCS between April to September 2023 as this would be highly detrimental to local residents who rely on these services. Many of these residents are from socially excluded groups, who have been particularly disadvantaged by the pandemic: Black, Asian and Minority Ethnic (BAME) communities, disabled people (including people with sensory impairments), older people, people with mental health support needs, young people who are NEET. It is important that there is no gap in flagship VCS services for local residents as this would result in a deterioration of their immediate, and potentially long-term, needs. It would also lead to increased demands on already hard pressed local statutory sector services. The recovery process from the pandemic for local residents requires continued delivery of vital VCS services.
- To complement the extension of the LCF programme and enable the development of future options to be coordinated across grant programmes, it would be necessary for the council to approve funding extensions for a number of complementary and supportive council-funded VCS programmes.
- This should include a six month funding extension for the Small Grants programme, from 1<sup>st</sup> April 2023 to 30<sup>th</sup> September 2023. There is a need to ensure that the Small Grant Programme continues to be aligned to the LCF programme, as it provides funding for smaller VCS organisations who have played a crucial role in the pandemic response, particularly in relation to residents from socially excluded groups. The Small Grants Programme focuses on areas where demands from local residents have increased during the pandemic - welfare, unemployment and housing. The continued delivery of this Programme would ensure that local socially excluded residents continue to benefit from the grassroots support of its projects. This extension would underline the council's commitment to smaller VCS organisations and recognise their valuable contribution to the borough, particularly at a neighbourhood level.
- A six month funding extension is proposed for the Innovation Fund in order that the review of council longer-term funding options for the VCS can consider all VCS grant funding programmes together. The Innovation Fund has been effective in supporting local VCS organisations to introduce and deliver innovative and successful projects. It is a key plank in the council's commitment to support the VCS to diversify its income base and brings in significant match funding for crowdfunding initiatives to pilot new services and initiatives, including those to help the recovery process in the borough.
- An eighteen-month funding extension is proposed for the Infrastructure & Capacity Building Grants Programme, from 30<sup>th</sup> September 2022 to 31<sup>st</sup>

March 2024. It is essential that this Programme is extended for the following reasons:

- To support the development and implementation of long-term funding options through consultation and engagement with the VCS.
  - To provide direct advice to VCS organisations on how to submit effective funding applications for new funding arrangements relating to new longer-term council funding options for the VCS that would succeed the current grant programmes
  - To provide support to VCS organisations, particularly those who experience a reduction in funding on commencement of the new programme.
  - To support the continued implementation of VCS Strategy. Volunteering has been one of the Strategy's key priorities in its first year and it is vital that the council demonstrates a funding commitment to support volunteering infrastructure in Tower Hamlets. The Infrastructure & Capacity Building Grants Programme has funded VCTH to deliver the COVID-19 Volunteering Hub work to support volunteering in VCS organisations in the borough to respond to the pandemic and assist recovery.
  - To continue to support LCF providers where needed, thereby facilitating the smooth running of the remainder of the programme.
  - To provide ongoing development support for VCS organisations, particularly small to medium size VCS organisations that most need this support.
- A two year funding extension is proposed for the Emergency Fund, from 31<sup>st</sup> March 2022 to 31<sup>st</sup> March 2024. This extension is required to provide support to VCS organisations who may face major and unforeseen financial emergencies as a result of the pandemic and significant loss of funding. It will be necessary for this to be in place during the transition period from LCF to the new programme/s. It is important that the council has this option of support for financially threatened organisations, providing them with short-term funding for vital elements of their organisation's infrastructure and services, ensuring that they remain in existence to serve Tower Hamlets residents. If these organisations are not able to continue for financial reasons, this would remove vital services for local residents and have a negative impact on the council's reputation. Council support for VCS organisations through Emergency Funding is usually accompanied by support for the organisation to develop long-term funding options, often with the support of the Tower Hamlets Council for Voluntary Service (THCVS), including THCVS Support through the Infrastructure & Capacity Building Grants Programme, to ensure their long-term future.



- The Covid Community Fund, which was established as a short term programme, should be terminated in March 2022. It is anticipated that the ongoing general improvement in regard to the COVID-19 pandemic will continue and VCS organisations will be able to resume their services on a more normal footing, whilst assimilating new and useful practices adopted during the pandemic where possible– e.g. digitally delivered services. The need for the Covid Community Fund would hopefully therefore be removed.
- The committee is also asked to agree the carry over of £39,500 of Emergency funding from the April 2021-March 2022 financial year to the April 2022-March 2023 financial year. These funds need to be available to support VCS organisations who require support in the next financial year if they face a financial emergency. The total of £39,500 to be carried over may be reduced if any VCS organisations’ applications for use of these funds are approved before 31<sup>st</sup> March 2022.
- The above proposed extensions of funding programmes for the VCS would involve the following costs

Local Community Fund (six months extension)	£1,336,078
Small Grants Programme (six months extension)	£186,250
Emergency Fund (two years extension)	£200,000
Infrastructure & Capacity Building Grants Programme (18 month extension)	£390,000
Innovation Fund (six months extension)	£42,500
<b>Total costs</b>	<b>£2,154,828</b>

#### **TIMETABLE AND APPROACH TO DEVELOPING NEW FUNDING OPTIONS**

- The VCS Strategy highlights the importance of partnership work between the VCS, the council and key stakeholder organisations in the borough. This commitment to partnership work and safeguarding the existence of a thriving VCS in the borough reinforces the need for the council to ensure it works closely with the VCS to develop longer-term funding options for that sector. It is important to work with the local VCS to develop sustainable and credible funding options to ensure a strong and vibrant VCS in Tower Hamlets and the continued delivery of vital VCS services for local residents, many of whom are vulnerable or from socially excluded communities.
- The potential for working with the VCS to develop longer-term funding options has been somewhat restricted by the ongoing demands of the pandemic on both the VCS and the council, including restrictions on the council’s ability to consult and engage the wider VCS in the usual ways. VCS organisations’ primary focus has been on delivering services to local residents impacted by covid. Plans to develop long-term funding options for the VCS now need to be fully operationalised. Initial desk based review work has commenced from January 2022.
- This timetable sees the new arrangements for the VCS scheduled to commence in October 2023. Set alongside the existing grant programme end dates, there would be a six month gap between the conclusion of the LCF,

Small Grants and Innovation Fund programmes in March 2023 and the start of the new arrangements. It would not be acceptable to have a six month period when there is no council primary funding programme for the VCS in operation as this would result in the loss of important services for local residents – with resultant unmanageable increases in demand on already overstretched statutory sector services. It would also threaten the future existence of many VCS organisations and result in a loss of credibility for the council with the VCS, local residents and partners in the statutory and private sector.

- The development work to introduce longer-term funding options for the VCS would involve a number of different stages and tasks. The timescales are based on adapting the LCF development timeframe and are necessitated by ensuring the funding programme/s respond fully to identified needs in the community and address crucial considerations, such as equalities issues, as well as allowing time for the relevant committee processes and notice and transition periods to new funding arrangements. In total, it is estimated that the development of longer-term council funding options for the VCS would require a timeframe of approximately 21 months, from the development of initial proposals at officer level within the council, to the commencement of new funding programme/s in October 2023. As well as the development of options and taking proposals through the council's governance process, this work would include consultation and engagement with the VCS and would conclude with processes to enable VCS organisations to apply for funding and a smooth transition to be made to the new arrangements.
- The extension of the LCF programme by six months would require council officers to negotiate extensions in funding agreements for LCF projects with VCS organisations, including reaching agreement with these organisations on outcomes and KPIs that would be delivered during the extension period. In most cases, it is anticipated that this will be straightforward. In some cases, for example, where the extension period would require the project to recruit new beneficiaries, there will be a need for some flexibility on the part of both the council and VCS organisations in regard to reaching agreement on what is delivered by LCF projects during the extension period.

#### **4 EQUALITIES IMPLICATIONS**

- An Equality Impact Analysis Screening has been carried out for the recommendations outlined in this paper. It has found that the proposals are likely to have no or minimal disproportionately adverse impacts, directly or indirectly, on any protected characteristic group.
- A full Equality Analysis was undertaken on the LCF programme in 2019. The analysis identified some potentially negative impacts relating to age, race and disability and these were addressed by initiating activity outside the LCF programme including new themes developed for the Small Grants Programme and a number of contracts with VCS organisations: Areas included:
  - Access and Participation

- Community Support Services for Older People
  - Commissioned Services contracts to address key areas:
  - Young People's Mental Health
  - Early Years
  - Young People's Disability Sports
  - Young Carers
- LCF Mitigation projects have been providing additional services for a number of these service areas relating to protected characteristic groups – support for families who have health and social care needs; mental health support services for young people; support for young carers; sport for disabled people and people with special educational needs.
  - When the Small Grants Programme was agreed at the 31<sup>st</sup> July 2019 Cabinet new themes were agreed for the Programme to support projects which would combat social isolation of older people, particularly in BAME communities, and to provide referral gateways for people from BAME communities.
  - The equality analysis checklist assessment carried out prior to Grant Determination Sub Committee approving the Infrastructure & Capacity Building Grants Programme in July 2019 suggested that the transition from funding under theme 4 of the MSG Programme, for VCS infrastructure support services, to the Infrastructure and Capacity Building theme of the new corporate grant programme would have no disproportionate negative equality implications. The continued focus on community cohesion within the new programme, and the particular priority to support smaller organisations without paid staff, would tend to have a positive impact for organisations and community groups whose activities focus on people with protected equalities characteristics as these are often volunteer led and may have limited resources.

## **5 OTHER STATUTORY IMPLICATIONS**

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

## **6 COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 The carry forward request of £39.5k is currently showing as a forecast underspend as at P10 but the agreement of this carry forward into 2022-23 will be subject to S151 Chief Finance Officer approval at year-end.
- 6.2 The grant payments detailed in this report are from budgets held in the remainder of this financial year and also from budgets in 2022-23 and 2023-24. There is sufficient budget to cover these grant payments up until March 2023. All agreements to funding beyond this date will be subject to Cabinet and Council approval of future years budgets.

## **7 COMMENTS OF LEGAL SERVICES**

- 7.1 The Council has the legal power to undertake the activities referred to in this report.
- 7.2 The Council should agree the relevant targets and activities with each provider to which an extension relates. This means that the Council can review performance and ensure that both the funds are used for their intended purposes and that the relevant activities achieve their objectives. This will assist the Council to demonstrate the achievement of Best Value.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- NONE

#### **Appendices**

- NONE

#### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- NONE.

#### **Officer contact details for documents:**

Or state N/A